

## Message Text

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60

ORIGIN EUR-25

INFO OCT-01 ISO-00 EB-11 TRSE-00 AID-20 CEA-02 CIAE-00

COME-00 EA-11 FRB-02 INR-10 IO-14 NEA-11 NSAE-00

RSC-01 OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01

FEA-02 INT-08 SS-20 NSC-10 /173 R

DRAFTED BY EUR/RPE:FKINNELLY

APPROVED BY EUR/RPE:MLEVINE

TREAS:MR. SWOFFORD

EUR/CE:BFLATIN

EB/IFD/OMA:PBALABANIS

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P 062237Z FEB 74

FM SECSTATE WASHDC

TO USMISSION OECD PARIS PRIORITY

INFO AMEMBASSY BERN PRIORITY

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E.O. 11652: N/A

TAGS: ECON, OECD SZ

SUBJECT: EDR REVIEW OF SWITZERLAND

REF: EDRC (74) 2, OECD 3084, OECD 3166

1. AFTER DESCRIBING PROSPECTS FOR AN INCREASE IN INFLATIONARY PRESSURES, SECRETARIAT STATES IN PARA 49 OF EDR (74) 2 THAT INITIALLY THERE IS NO DOUBT THAT... POLICY SHOULD CONTINUE TO BE RESTRICTIVE. SECRETARIAT GOES ON TO STATE THAT IF THE SLOWDOWN OF ACTIVITY IN EITHER SWITZERLAND OR THE WHOLE OECD AREA WERE TO BE GREATER THAN PRESENTLY FORECAST, SWISS AUTHORITIES SHOULD TAKE STEPS TO SUPPORT DEMAND. U.S. REPRESENTATIVE MAY WISH TO ASK WHETHER RECENT DEVELOPMENTS IN ENERGY SITUATION HAVE ALTERED THE PROSPECTS SUFFICIENTLY TO

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REQUIRE A MORE FLEXIBLE POLICY STANCE ON THE PART OF THE

SWISS.

2. U.S. REPRESENTATIVE MAY ALSO WISH TO OBTAIN FROM SECRETARIAT SOME CLARIFICATION OF THE INSTRUMENTS OF ECONOMIC INTERVENTION REFERRED TO IN PARA 51 OF EDR (74) 2. PRICE/INCOMES MEASURES HAVE BEEN LIMITED AND MOSTLY VOLUNTARY, AND SECRETARIAT ITSELF STATES (PARA 5) THAT MAJOR RELIANCE WAS PLACED ON MONETARY POLICY, CAPITAL CONTROLS, AND EXCHANGE POLICIES. IT WOULD BE INTERESTING TO HAVE SWISS COMMENT ON SECRETARIAT STATEMENT THAT SWISS

PUBLIC OPINION HAS EXPRESSED WIDESPREAD APPROVAL OF NEW MEASURES FOR INTERVENING IN ECONOMY, AND TO HAVE DISCUSSION IN EDRC OF WHETHER IT IS IN SWISS INTEREST TO DEPART FURTHER FROM A FREE MARKET ECONOMY. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC GROWTH, ECONOMIC REPORTS, ANNUAL REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 FEB 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE025193  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** FKINNELLY  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** EDRC (74) 2, OECD 3084, OECD 3166  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 19 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <19 APR 2002 by elyme>; APPROVED <03 JUN 2002 by morefirh>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EDR REVIEW OF SWITZERLAND  
**TAGS:** ECON, SZ, OECD, EDRC  
**To:** OECD PARIS  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005